# BASS, BERRY & SIMS PLC

A PROFESSIONAL LIMITED LIABILITY COMPANY ATTORNEYS AT LAW

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April 1, 2002

# VIA HAND DELIVERY

TARA L. SWAFFORD

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Mr. K. David Waddell Executive Secretary Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243-0505

Re:

Notice of US LEC Corp of "Bona Fide Request" For an Interconnection Agreement With TDS Local Exchange

Carriers Pursuant to 47 U.S.C. § 251

Docket No. 00-00026

Dear Mr. Waddell:

Enclosed please find the original and thirteen (13) copies of Requests for Data and Production of Documents Propounded by Concord Telephone Exchange, Inc., Humphreys County Telephone Company, Tennessee Telephone Company and Tellico Telephone Company, Inc. Upon US LEC Corp.

If you should need anything further, or if you should have any questions, please do not hesitate to contact me.

Sincerely,

Tara L. Swafford

TLS:bb Enclosure

cc: Richard Collier, Esq. (w/encl.)

# BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

| IN RE:                      | ) 02 APR 01 AM 10 44  |
|-----------------------------|-----------------------|
|                             | OFFICE OF THE         |
| NOTICE OF US LEC CORP OF A  | EXECUTIVE SECRETARY   |
| "BONA FIDE REQUEST" FOR AN  | ) CRETARY             |
| INTERCONNECTION AGREEMENT   | ) Docket No. 00-00026 |
| WITH THE TDS LOCAL EXCHANGE |                       |
| CARRIERS PURSUANT TO        |                       |
| 47 U.S.C. SECTION 251       |                       |

# REQUESTS FOR DATA AND PRODUCTION OF DOCUMENTS PROPOUNDED BY CONCORD TELEPHONE EXCHANGE, INC., HUMPHREYS COUNTY TELEPHONE COMPANY, TENNESSEE TELEPHONE COMPANY AND TELLICO TELEPHONE COMPANY, INC. UPON US LEC CORP.

Concord Telephone Exchange, Inc., Humphreys County Telephone Company, Tennessee Telephone Company and Tellico Telephone Company, Inc., all subsidiaries of TDS TELECOM (collectively referred to herein as "TDS TELECOM"), hereby serve upon US LEC Corp. ("US LEC") the following requests for data and production of documents, and request that responses be submitted to Bass, Berry & Sims, PLC, 315 Deaderick Street, Suite 2700, Nashville, Tennessee 37238-3001, on or before April 19, 2002.

# I. <u>DEFINITIONS</u>

- A. The terms "your company" or "US LEC" shall refer to US LEC and shall include, where appropriate in context, each of its past or present officers, agents, representatives, employees, attorneys, accountants, investigators, and any entity acting or purporting to act on its behalf.
- B. The term "TDS TELECOM" shall include Concord Telephone Exchange, Inc., Humphreys County Telephone Company, Tennessee Telephone Company, and Tellico Telephone Company, Inc.

# II. DOCUMENT REQUESTS

1. Please provide any and all business plans, network diagrams/plans, demand forecasts, projected figures, spreadsheets, documents, assumptions and rationale, and/or econometric models related to US LEC's request for interconnection with TDS TELECOM and/or referred to in responding to the above data requests.

### RESPONSE:

2. Please provide copies of the financial statements (income, balance sheets, cash flow) for US LEC for the past five years.

# **RESPONSE:**

# III. DATA REQUESTS

1. Please describe by exchange the local exchange services, including both basic and advanced, that US LEC intends to provide in TDS TELECOM's service area(s) distinguishing between business and residential services. For each such service and exchange identified, please indicate US LEC's proposed pricing and the date by which US LEC intends to offer the service.

2. Please state by exchange whether US LEC intends to maintain the existing EAS calling areas for any customers it proposes to provide local service to in TDS TELECOM's service territory. If not, please describe by exchange the EAS calling areas US LEC intends to offer in TDS TELECOM's service territory.

# **RESPONSE:**

3. Please state whether US LEC currently has or plans to install a switch or switches in TDS TELECOM's exchanges or in other locations in Tennessee outside of TDS TELECOM's exchanges. In answering, please provide the location, number, type, and cut over dates.

# **RESPONSE:**

4. Please state whether US LEC intends to file for Eligible Telecommunications Carrier ("ETC") status within the service area(s) of TDS TELECOM. If the answer is yes, please state within what time frame and in which exchanges US LEC will seek ETC designation.

#### **RESPONSE:**

5. For each exchange served by TDS TELECOM in Tennessee, please provide a detailed five year plan as to how many access lines (distinguish as to business versus residential

lines) US LEC expects to obtain from competing in TDS TELECOM's exchanges on a facility-based basis and on a resale basis.

### **RESPONSE:**

6. Please state whether and when US LEC plans to have a business office or payment center in each of the following locations: Waynesboro, Tennessee; Parsons, Tennessee; New Johnsonville, Tennessee; and Englewood, Tennessee. If US LEC does not plan to have an office in each of these cities, please provide the location of the US LEC business office or payment center that will be nearest to each of these cities and when it will be open for use by customers.

# **RESPONSE:**

7. Please state whether and when US LEC plans to have installation and repair technicians located in each of the TDS TELECOM exchanges. If the answer is no, then for each TDS TELECOM exchange, please list the anticipated permanent location of the nearest US LEC technician(s) to those exchanges and when it will be operational.

# **RESPONSE:**

8. Please state whether US LEC is willing to post a bond for or otherwise reimburse for all costs incurred by TDS TELECOM to process the interconnection request if US LEC's

request is subsequently withdrawn or the business is not pursued by US LEC. If not, please state how US LEC proposes TDS TELECOM will recover those costs.

# **RESPONSE:**

9. Please provide US LEC's Earning Estimates for year-end 2002 and 2003 and indicate the year/quarter US LEC anticipates being EBITDA positive.

# **RESPONSE:**

10. Please identify US LEC's projected costs to construct and operate its network in each exchange in TDS TELECOM's serving area and when US LEC expects to incur each of those costs. Please identify available capital and funding sources that will be accessed to fund this project.

# **RESPONSE:**

11. Please state the number of employees currently employed by US LEC and identify how many of these employees reside in the state of Tennessee. Please indicate the projected number of employees, if any, US LEC will add as a result of interconnection with TDS TELECOM and state where these additional employees will be located.

12. Please list all entities regardless of location with which US LEC has interconnection agreements and all entities from which US LEC purchases interconnection elements via tariff and indicate the applicable state(s). If any of these entities are rural exchange carriers as defined in 47 U.S.C. § 153, please identify those entities as such.

# **RESPONSE:**

13. Please state by market or service area the number of Unbundled Network Element ("UNE") Loops US LEC is using to connect with its current customers, the number of UNE Loops at the DS-0 level, the number of UNE Loops at the DS-1 level, and the number of UNE Loops serving residential customers.

# **RESPONSE:**

14. Please provide US LEC access line information for the past three years according to the breakdown below for (1) the state of Tennessee and (2) the total company.

|                              | TENNESSEE |  |      | TOTAL COMPANY                                    |      |      |
|------------------------------|-----------|--|------|--|------|------|
|                              | 2001      | 2000                                   | 1999 | 2001   | 2000 | 1999 |
| Residential                  |           |  |      |  |      | 1000 |
| Business:                    |           | ······································ |      |  |      |      |
| Less than 10 lines/customer  |           | · · · · · · · · · · · · · · · · · · ·  |      |  |      |      |
| 11-50 lines/customer         |           |  |      | <u> </u>   |      |      |
| 51-100 lines/customer        |           |  |      |  |      |      |
| 101-250 lines/customer       |           | · · · · · · · · · · · · · · · · · · ·  |      |  |      |      |
| More than 251 lines/customer |           | ************************************** |      | <del>                                     </del> |      |      |
| T-1 Connections to customers |           | · · · · · · · · · · · · · · · · · · ·  |      |  |      |      |
| T-3 Connections to customers |           |  |      |  |      |      |

15. For each exchange served by TDS TELECOM, please provide the specific point(s) at which interconnection is requested, timeframes (month/year), interface and protocol standards required and quantities (demand forecast) of facilities to be interconnected.

# **RESPONSE:**

16. For each exchange served by TDS TELECOM in Tennessee please provide the timeframes (month/year) and quantities (demand forecast) of local/intraLATA and interLATA trunks anticipated during the first two years of an interconnection agreement between US LEC and TDS TELECOM. For each trunk type include traffic forecasts and anticipated busy hour usage.

### **RESPONSE:**

17. For each exchange served by TDS TELECOM in Tennessee, please identify each specific unbundled network element requested by US LEC including timeframes (month/year) and quantities (with a demand forecast).

18. Please state whether US LEC intends to request access to any of TDS TELECOM's operations support systems functions. If the answer is yes, please identify which function(s), timeframes (month/year), location, and method of access that is requested.

# **RESPONSE:**

19. Please state the specific retail services of TDS TELECOM that US LEC intends to purchase at wholesale rates, provide a volume estimate, and state whether US LEC intends to request from TDS TELECOM unbranding or rebranding of any such services.

### **RESPONSE:**

- 20. For each exchange served by TDS TELECOM in Tennessee, please provide the following information:
  - a. The specific points, timeframes (month/year) and quantities (with a demand forecast) at which physical, virtual, and meet-point collocation is requested;
  - b. For each premise in which physical collocation is requested, please provide a list of equipment to be collocated, the amount of space requested, any additions or modifications to such space required, interoffice transmission facilities required, and power requirements.

21. Please state whether US LEC is requesting that TDS TELECOM provide permanent local number portability. If the answer is yes, please identify each TDS TELECOM switch for which permanent local number portability is requested and the requested timeframes (month/year).

# **RESPONSE:**

22. Please state what percentage of traffic currently terminated on US LEC's network is ISP traffic. If actual data is unavailable, please provide an estimate and indicate the underlying assumptions and rationale.

# **RESPONSE:**

23. Please state whether US LEC has similar network configurations to those used by US LEC/MetaComm in North Carolina, either in place or planned, in Tennessee or in other states, and to what extent US LEC's business plan in connection with its interconnection request with TDS TELECOM includes revenues derived from reciprocal compensation network configurations that are similar to those provided by US LEC/MetaComm in North Carolina.

24. Please provide US LEC's interstate and intrastate access rates that are currently in effect.

# **RESPONSE:**

25. Please state how US LEC proposes to exchange information with TDS TELECOM for establishing, changing, or terminating service and US LEC's expected timeframes for doing so.

# **RESPONSE:**

26. Please state how US LEC proposes to exchange traffic and billing information or records with TDS TELECOM.

#### **RESPONSE:**

27. Per the September 30, 2001 10-Q, US LEC states that expansion of its existing network may require additional financing. US LEC also states in the same report that there are no additional amounts available under the credit facility of US LEC. Please state whether US LEC has obtained additional credit or a line of credit not disclosed in the September 30, 2001 10-Q. If the answer is yes, please state the amount, interest rate, and whether the rate is fixed or variable with respect to the additional credit.

28. US LEC's consolidated balance sheet comparing December 31, 2000 to September 30, 2001 reflects an increase in "Other Equity" of \$200 million and a similar decrease in "Other Liabilities." Please describe the transactions creating these variances.

## **RESPONSE:**

29. Please describe how US LEC used the proceeds from the issuance of Series A Redeemable Convertible Preferred Stock in 2000, state whether US LEC has any additional equity shares authorized but not issued, and state whether US LEC is restricted by any loan covenants that would prevent the issuance of additional equity capital.

# **RESPONSE:**

30. Please identify each person providing information or assistance in answering these data requests and, for each such person, the number of each request for which assistance was provided.

Respectfully submitted,

R./Dale Grimes (#6223)

T. G. Pappas (#2708) / Tara L. Swafford (#17577)

BASS, BERRY & SIMS, PLC

AmSouth Center

315 Deaderick Street, Suite 2700 Nashville, Tennessee 32738-3001

(615) 742-6200

Counsel for Concord Telephone Exchange, Inc., Humphreys County Telephone Company, Tennessee Telephone Company, and Tellico Telephone Company, Inc.

# **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing document was served, via hand delivery, on this the 29<sup>th</sup> day of March, 2002, upon Henry M. Walker, Esq., Boult, Cummings, Conners & Berry, 414 Union Street, Suite 1600, Nashville, Tennessee 37219, and will be filed with the TRA and served on J. Richard Collier, Esq., General Counsel, Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, Tennessee 37243, via hand delivery, on the 1<sup>st</sup> day of April, 2002.